

## DEPARTMENT OF TRANSPORTATION

### Maritime Administration

#### Notice of Funding Opportunity for the Maritime Administration's Small Shipyard Grant Program

**AGENCY:** Maritime Administration, U.S. Department of Transportation

**ACTION:** Notice of Funding Opportunity

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#### A. Basic Information

SUMMARY OVERVIEW OF KEY INFORMATION: Small Shipyard Grant Program -- Discretionary Grant Opportunity	
Topic	Description
<b>Federal Agency Name</b>	Maritime Administration (MARAD)
<b>Funding Opportunity Title</b>	FY 2026 Small Shipyard Grant Program
<b>Announcement Type</b>	Notice of Funding Opportunity (NOFO))
<b>Funding Opportunity Number</b>	DTMASSG26
<b>Assistance Listing Number</b>	20.814, Assistance to Small Shipyards
<b>Funding Details</b>	\$35 million in funding is available for the FY 2026 funding opportunity under the Consolidated Appropriations Act, 2026
<b>Key Dates</b>	Applications are due: May 11, 2026 at 12:00:00 p.m. (noon) E.D.T. Awards are planned to be announced by July 10, 2026
<b>Executive Summary</b>	The Small Shipyard Grant Program provides funding in the form of grants to small shipyards to make capital improvements and for maritime training

	<p>programs to encourage technical skills and operational productivity relating to shipbuilding, ship repair, and associated industries.</p> <p>Small Shipyards as defined in 46 U.S.C. § 54101(h) are eligible to apply for grants.</p>
<b>Agency Contact Information</b>	David M. Heller, Deputy Associate Administrator for Shipbuilding & Industry Expansion, Maritime Administration, Room W21-318, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590; phone: (202) 366-5737; or fax: (202) 366-5904.

### 1. Changes from the FY 2025 NOFO

This FY 2026 Small Shipyard Grant Program NOFO makes the following changes from the FY 2025 Small Shipyard Grant NOFO:

- Adds a new selection consideration for projects that use innovative technology
- Adds information under Performance and Program Evaluation
- Updates section H, Post-Award Requirements and Administration for compliance with Federal law and policies and Federal anti-discrimination policies

## B. Eligibility

### 1. Eligible Applicants

Section 54101 of Title 46, United States Code, provides that small shipyards can apply for grants. The shipyard facility for which a grant is sought must be in a single geographic location and may not have more than 1,200 production employees. The applicant must be the operating company of the shipyard facility. The shipyard facility must construct, repair, or reconfigure vessels 40 feet in length or greater for commercial or government use, or construct, repair, or reconfigure vessels 100 feet in length or greater for non-commercial vessels.

### 2. Eligible Projects

Eligible projects under MARAD's Small Shipyard Grant Program include:

a. **Capital Improvement Projects:** These must advance efficiency, competitive operations, and quality in ship construction, repair, or reconfiguration. Funded items must be new and owned by the grant recipient.

b. **Maritime Training Programs:** These focus on developing employee skills and enhancing productivity in shipbuilding, ship repair, and related industries. While only eligible applicants can receive grants, training programs may involve external vendors. See section B.4. below on additional funding restrictions for training programs.

Additional stipulations:

- **Timing of Costs:** All project costs, including the recipient's share, must be incurred after

the grant agreement execution date unless pre-approved by MARAD.

### **3. Application Limit**

Each eligible applicant may submit one application that contains multiple projects, but MARAD will make a maximum of one award per eligible applicant under this notice. If multiple projects are included in one application, the total of all those projects' costs should be reflected on the Standard Form 424 (SF-424, Application for Federal Assistance), Box 18.

### **4. Funding Restrictions**

Grants awarded under MARAD's Small Shipyard Grant Program may not be used to construct buildings or other physical facilities or to acquire land. No more than 25 percent of the funds available may be awarded to any small shipyard in one geographic location that has more than 600 production employees. A maritime training center that has received funds in FY 2026 under section 51706 of T Title 46, United States Code, is not eligible for a grant under this notice, if the project proposed in the application is for a maritime training program.

Federal award recipients and subrecipients are prohibited from obligating or expending grant funds to procure or obtain; extend or renew a contract to procure or obtain; or enter a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. *See* section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, (Pub. L. 115-232, August 13, 2018).

### **5. Cost Sharing**

The Federal funds for any eligible project cannot exceed 75 percent of the total cost of such project. Therefore, an eligible applicant must provide at least 25 percent of grant project costs from non-Federal sources. Third-party in-kind contributions are not allowed to satisfy the matching requirement. Unless the recipient is granted prior written approval from MARAD to incur pre-award costs, the recipient's entire cost share must be incurred after the execution date of the grant agreement but prior to payment of any Federal funds for the project. The applicant is required to submit detailed financial statements and supporting documentation demonstrating how and when such matching requirement is proposed to be funded. Refer to section D.2 for the documentation required as part of the application to satisfy the matching requirement. Refer to section F.2.(b) for information on how MARAD will evaluate cost share when selecting applications for award.

## **C. Program Description**

### **1. Overview**

The Assistance for Small Shipyards statute, codified at 46 U.S.C. § 54101, established the Small Shipyard Grant Program to provide assistance in the form of grants to small shipyards to make capital improvements and for maritime training programs to encourage technical skills and operational productivity relating to shipbuilding, ship repair, and associated industries. The Consolidated Appropriations Act, 2026 (Pub. L. 119-75, February 3, 2026) appropriated \$35 million to the FY 2026 Small Shipyard Grant Program. MARAD will retain up to 2 percent of the funding for grant administration and oversight as authorized per 46 U.S.C. § 54101(c)(2); therefore, a total of up to \$34.3 million is available in funding for grant awards under the FY 2026 Small Shipyard Grant Program.

The purpose of the Small Shipyard Grant Program is to foster efficiency, competitive operations, and quality ship construction, repair, and reconfiguration in small shipyards across the United States in addition to developing employee skills and enhanced productivity related to shipbuilding, ship repair, and associated industries. The Department seeks to fund projects that advance the priorities of this Administration as described in DOT's mission statement and across executive orders. Award recipients will be expected to comply with the performance goals and reporting requirements as outlined in the executed grant agreement.

## **2. Federal Award Information**

Under the FY 2026 Small Shipyard Grant Program, \$3434.3 million is available for grants for:

- (1) capital improvements to qualified shipyard facilities that will be effective in fostering efficiency, competitive operations, and quality ship construction, repair, and reconfiguration; and
- (2) training projects that will be effective in fostering employee skills and enhanced productivity related to shipbuilding, ship repair, and associated industries. MARAD intends to award the full amount of available funding through grants to the extent that there are worthy applications. MARAD will seek to obtain the maximum benefit from the available funding by awarding grants to as many of the worthiest projects as possible. MARAD may also award grant funds to support a portion of a project described in an application by selecting one or more discrete components or projects.

MARAD will administer each Small Shipyard Grant pursuant to a grant agreement with the grant recipient, and the start date and period of performance for each award will depend on the specific project and must be agreed to by MARAD in the grant agreement. Grant funds will be administered on a reimbursable basis. Any costs incurred prior to MARAD's obligation of funds for a project are ineligible for reimbursement and are ineligible to count as match for cost share requirements without prior written approval from MARAD. Obligation occurs when a selected applicant and MARAD enter into a written grant agreement after the applicant has satisfied applicable administrative requirements.

Amounts awarded as a grant under this notice that are not expended by the recipient shall remain available to the Maritime Administrator for use for grants under this program, either in the same or different fiscal year as this notice. In addition to the FY 2026 Small Shipyard Grant Program funds, unexpended prior year Small Shipyard Grant Program funds may be made available and awarded under this notice.

#### **D. Application Contents and Format**

##### **1. Address to Request Application Package**

This announcement contains all the information needed for applicants to apply for this funding opportunity. Applications must be submitted through Grants.gov.

##### **2. Content and Form of Application Submission**

Applications must include the SF-424, which is available on the Grants.gov website at <https://www.grants.gov/forms/forms-repository/sf-424-family>. The application for a grant must also include all the following information as an addendum to the SF-424. The information should be organized in sections as described below:

**Section 1:** A description of the shipyard including: (a) location of the shipyard; (b) a description of the shipyard facilities; (c) years in operation; (d) ownership; (e) customer base; (f) current order book including type of work; (g) vessels delivered (or major projects) over last 5 years; and (h) website address, if any.

**Section 2:** For each project proposed for funding the following must be included in the application:

- (a) A comprehensive detailed description of the project, including a statement of whether the project will replace existing equipment, and, if so, the disposition of the replaced equipment.
- (b) A description of the need for the project in relation to shipyard operations and business plan and an explanation of how the project will fulfill this need.
- (c) A quantitative analysis demonstrating how the project will be effective in fostering efficiency, competitive operations, and quality ship construction, repair, or reconfiguration (for capital improvement projects) or how the project will be effective in fostering employee technical skills and enhanced operational productivity related to shipbuilding, ship repair, and associated industries (for maritime training programs). The analysis should quantify the benefits of the project in terms of man-hours saved, dollars saved, percentages, or other meaningful metrics. The methodology of the analysis should be explained with assumptions used, identified, and justified.
- (d) A detailed methodology and timeline for implementing the project, including identifying major project milestones. The project schedule should be sufficiently detailed to demonstrate that the project

will be completed without unreasonable delay.

(e) A detailed itemization of the cost of the project together with supporting documentation, including current vendor quotes and estimates of installation costs.

(f) The applicant should indicate the anticipated National Environmental Policy Act (NEPA) class of action for the project and describe any environmental analysis in progress or completed. This includes Categorical Exclusion, Environmental Assessment/Finding of No Significant Impact, or Environmental Impact Statement/Record of Decision. The application should also include a discussion on the status of any required environmental approvals or permits in addition to the status of the NEPA process. The final determination of NEPA class of action will be made by MARAD after announcement of project selections. The successful applicant will be responsible for the completion of MARAD's NEPA documentation, in collaboration with MARAD's NEPA Coordinator, prior to execution of the grant agreement. Applicants are encouraged to engage with MARAD as part of the application development process to ensure they fully understand MARAD's NEPA process. The applicant should review the Department of Transportation's Order 5610.1D, *Procedures for Considering Environmental Impacts* (available at [DOT's Procedures for Considering Environmental Impacts | US Department of Transportation](#)), to include Subpart C, which contains additional procedures for MARAD, prior to submission.

(g) Domestic Preference. This section should include a description of whether all iron, steel, manufactured products, and construction materials to be used in the project are produced in the United States in accordance with 46 U.S.C. § 54101(d)(2) and should expressly address how the applicant plans to comply with domestic preference requirements as described in section H.1.(b)(1) of this notice. If an applicant anticipates any potential foreign-content issues with its proposed project, applications should demonstrate that the domestic source is not available, how that determination was achieved, and the applicant's current efforts and planned future efforts to maximize domestic content. Items 2(a) thru 2(g) should be repeated, in order, for each separate project included in the application.

**Section 3:** Grant Funds, Sources, and Uses of Project Funds. This section should include a budget table with a prioritized list of projects with the total project cost and Federal government share (in dollars) for each. This budget must list the amount and percent of both the total Federal funding requested and any additional non-Federal funds, if any, that will be used to pay for the project. The budget should identify other Federal funds the applicant is applying for, has been awarded, or intends to use. Funding sources should be grouped into three categories: non-Federal, Small Shipyard Grant Program Federal funds applied for under the FY 2026 application, and other Federal, with specific

amounts from each funding source.

**Section 4:** A description of any existing programs or arrangements, if any, that will be used to supplement or leverage the Federal grant assistance.

**Section 5:** Shipyard company officer's certification of each of the following requirements:

- (a) That the shipyard facility for which a grant is sought is in a single geographic location and (i) the shipyard facility has no more than 600 production employees, or (ii) the shipyard facility has more than 600 production employees, but not more than 1,200 production employees (the shipyard officer must certify to either (i) or (ii))
- (b) That the applicant has the authority to carry out the proposed project; and
- (c) In accordance with the U.S. Department of Transportation's regulation restricting lobbying, 49 CFR Part 20, that the applicant has not, and will not, make any prohibited payments out of the requested grant. Certifications are not required to be notarized.

**Section 6:** Unique entity identifier of shipyard's parent company (when applicable) from SAM.gov.

**Section 7:** The most recent year-end audited, reviewed, or compiled financial statements, prepared by a certified public accountant (CPA), per U.S. generally accepted accounting principles (not tax-based accounting financial statements). If CPA prepared financial statements are not available, provide the most recent financial statement for the entity. Do not provide tax returns.

**Section 8:** Statement regarding the relationship between applicants and any parents, subsidiaries, or affiliates, if any such entity is going to provide a portion of the match.

**Section 9:** Evidence documenting applicant's ability to make proposed matching requirement (e.g., loan agreement, commitment from investors, and cash on balance sheet) and in the timeline outlined in 2(d) above.

**Section 10:** Pro-forma financial statements reflecting:

- (a) financial condition beginning of period
- (b) effect on balance sheet of grant and matching funds (e.g., a decrease in cash or increase in debt, additional equity, and an increase in fixed assets); and
- (c) impact on company's projected financial condition (balance sheet) of completion of project, showing that company will have sufficient financial resources to remain in business.

**Section 11:** Statement explaining whether during the past five years, the applicant or any predecessor or related company has been in bankruptcy or in reorganization under Chapter 11 of the Bankruptcy Code, or in any insolvency or reorganization proceedings, and whether any substantial property of the applicant or any predecessor or related company has been acquired in any such proceeding or has been

subject to foreclosure or receivership during such period. If so, give details.

**3. Sharing of Application Information** – The Department may share application information within the Department or with other Federal agencies if the Department determines that sharing is relevant to the respective program’s objectives.

#### **E. Submission Requirements and Deadlines**

##### **1. Address to Request Application Package**

All application materials may be found on Grants.gov and the Maritime Administration (MARAD) Small Shipyard Grant website ([www.maritime.dot.gov/grants-finance/small-shipyard-grants](http://www.maritime.dot.gov/grants-finance/small-shipyard-grants)<https://www.maritime.dot.gov/grants-finance/small-shipyard-grants>).

##### **2. Unique Entity Identifier (UEI) and System for Award Management (SAM)**

Each applicant must obtain a UEI and register in [www.SAM.gov](http://www.SAM.gov) before submitting its application, provide its valid UEI number in its application, and continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency.

Please note that the SAM registration process takes several weeks to complete, if not longer. MARAD may not make a Small Shipyard Grant award until the applicant has complied with all applicable UEI and SAM requirements and, if an applicant has not complied with the requirements by the time MARAD is ready to make a Small Shipyard Grant award, MARAD may determine that the applicant is not qualified to receive a Small Shipyard Grant award and use that determination as a basis for making a Small Shipyard Grant award to another applicant.

##### **3. Submission Instructions**

Grant applications must be submitted electronically using Grants.gov (<https://www.grants.gov>). To apply through Grants.gov, applicants must:

- i. Obtain a UEI number;
- ii. Register with SAM at [www.SAM.gov](http://www.SAM.gov);
- iii. Create a Grants.gov username and password; and
- iv. Complete Authorized Organization Representative (AOR) registration in Grants.gov.

The E-Business Point of Contact (POC) at the applicant’s organization must respond to the registration email from Grants.gov and login at Grants.gov to authorize the applicant as the AOR. There can be more than one AOR for an organization.

Please note that the Grants.gov registration process usually takes 2 to 4 weeks to complete, and MARAD will not consider late applications that are the result of a failure to register or comply with

Grants.gov applicant requirements in a timely manner. For information and instruction on each of these processes, please see instructions at <https://www.grants.gov/applicants/applicant-faqs.html>. If applicants experience difficulties at any point during the registration or application process, please call the Grants.gov Customer Service Support Hotline at 1 (800) 518-4726.

#### **4. Submission Dates and Times**

Applications must be submitted to Grants.gov by 12:00:00 p.m. (noon) E.D.T. on May 11, 2026. Grants.gov attaches a time stamp to each application at the time that submission is complete. Applications with a time stamp after the deadline will not be considered. MARAD does not accept applications via mailed paper, fax machine, email, or other means. Please note that the Grants.gov registration process usually takes 2 to 4 weeks to complete.

#### **5. Intergovernmental Review**

This program is not subject to Executive Order 12372, Intergovernmental Review of Federal Programs (47 FR 30959).

#### **6. Compliance with Section 508 of the Rehabilitation Act of 1973.**

MARAD encourages applicants to submit documents that are compliant with Section 508 of the Rehabilitation Act of 1973. Section 508 guidelines are available at <https://www.access-board.gov/ict/>.

### **F. Application Review Information**

#### **1. Responsiveness Review**

There are several statutory criteria that must be met for an application to be eligible for application review and selection for an award. MARAD reserves the right to perform follow-up inquiries to applicants to resolve questions regarding any of the criteria described below. MARAD will assess these criteria during the application review process.

A determination of non-responsiveness related to any of the following factors will be a basis for elimination from further consideration for award of a grant:

- Applicant eligibility (46 U.S.C. § 54101(h));
- Project eligibility (46 U.S.C. § 54101(b)(1));
- Sufficiency of funding to meet the matching requirements (46 U.S.C. § 54101(f)(4)(A));
- The project will be completed without unreasonable delay (46 U.S.C. § 54101(f)(4)(B));

and

- The applicant has the authority to carry out the project (46 U.S.C. § 54101(f)(4)(C)).

If any of the factors listed above are in question, MARAD will continue the application review process until the concern has been resolved. If non-responsiveness is confirmed, the application

review will be concluded, and the responsiveness issue will be memorialized in the review documentation. If a responsiveness question is successfully resolved, the application will continue to be considered during the review process described below.

## 2. Review Criteria

(a) **Merit Criteria.** MARAD will review merit criteria for all applications. Consistent with the statutory requirements of 46 U.S.C. § 54101(b)(1), MARAD will evaluate the extent to which the project will be effective in fostering efficiency, competitive operations, and quality ship construction, repair, and reconfiguration (for capital improvement projects) or how effective the projects will be in developing employee skills and enhancing productivity related to shipbuilding, ship repair, and associated industries (for maritime training program projects). To facilitate the technical review, applications should focus on *Section 2* in section D.2 of this notice, especially *Section 2(c)*, to offer the best chance of an award.

(b) **Additional Selection Considerations.** After completing the merit review, among projects of similar merit, DOT may prioritize projects that support one or more of the following additional considerations:

- (i) MARAD may give preference to those projects for which an applicant's percentage non-Federal match contribution towards the overall project is greater than the statutory 25 percent minimum and greater than other competing grant applications.
  - (ii) MARAD may give preference to those applications that propose to use grant funds for domestic-content purchases over those that may require a waiver to the domestic content requirements described in section H.1.(b)(1) of this notice.
  - (iii) MARAD may give preference to those projects that incorporate innovative technologies that improve the efficiency, safety, and resilience of small shipyard facilities and operations. A strong application will clearly explain how the proposed project uses new or emerging technologies to address practical shipyard challenges and improve day-to-day operations. Applications should clearly demonstrate how the use of innovative technology will modernize shipyard infrastructure, improve productivity and efficiency, enhance workforce safety, or strengthen long-term operational resilience. Claims should be supported with concrete examples, data, or documented experience where available.
- (c) **Determinations.** As required pursuant to 46 U.S.C. § 54101(f)(4), MARAD may not award a grant under this notice unless the Maritime Administrator determines that:

- (i) sufficient funding is available to meet the matching requirements described in section B.5.
- (ii) the project will be completed without unreasonable delay; and
- (iii) the recipient has authority to carry out the proposed project.

Applications must contain enough information for MARAD to make these determinations.

### 3. Review and Selection Process

MARAD staff will review all eligible applications received before the deadline. The Small Shipyard Grant review and selection process consists of three phases: Technical Review, Senior Review, and Final Selection. In the Technical Review phase, a Review Panel made up of technical experts, including naval architects and engineers from MARAD’s Office of Shipyards and Marine Engineering, will review all timely applications. Each of the merit criteria and additional selection considerations are rated using a High, Medium, or Low scale, as shown below.

<b>NOFO Section</b>	<b>Section Title</b>	<b>Weight</b>
Section D2(a)	Description	Low
Section D2(b)	Need	Medium
Section D2(c)	Quantitative Analysis	High
Section D2(d)	Methodology & Timeline	Low
Section D2(e)	Itemization	Low
Additional Factors Section D2(f), Section D2(g), Section F2(b)	NEPA, Domestic Preference and Additional Considerations	Low

Additional input may be provided to the Review Panel on economic issues by the Office of Financial Approvals & Marine Insurance, on environmental issues by the Office of Technical Reviews, and on legal issues by the Office of Chief Counsel.

The Review Panel will assign a final rating of “Highly Recommended,” “Recommended,” or “Not Recommended” based on how well each application aligns with the merit criteria and additional selection considerations.

In the second review phase, the Senior Review Team, which is led by the Maritime Administrator, will consider applications based upon the input of the Review Panel to determine which projects to select for award and advance to the Secretary for final concurrence. Before advancing the list of selected projects to the Secretary, MARAD will ensure that all applications meet the determinations

outlined in section F.2.(c) of this notice.

In the Final Selection review phase, the Secretary reviews selected projects for final award consistent with the merit criteria and may give priority to applications aligning well with one or more of the additional selection considerations. The Department intends to apply principles from DOT Order 2100.7, [Ensuring Reliance Upon Sound Economic Analysis in DOT's Policies, Programs and Activities](#) when evaluating applications and making award selections. To the maximum extent permitted by law, the Department will prioritize projects that are in alignment with the principles outlined in DOT Order 2100.7. In making grants, the Secretary will also take such measures as to ensure a geographic distribution of funds.

Pursuant to the requirement at 46 U.S.C. § 54101(b)(3), the Department must award grants not later than 120 days after the date of the enactment of the appropriations act. MARAD offers debriefs to applicants not selected for award to receive information about their Small Shipyard Grant project's evaluation.

#### **4. Risk Review**

Prior to obligation of funds, MARAD is required to review and consider any information about the applicant that is in the designated integrity and performance system accessible through SAM.gov (*see* 41 U.S.C. § 2313). An applicant, at its option, may review information in SAM.gov and comment on any information about itself that a Federal awarding agency previously entered. MARAD will consider any comments by the applicant, in addition to the other information in SAM.gov, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants.

### **G. Award Notices**

#### **1. Federal Award Notices**

Following the evaluation outlined in section F, and after the required notice to Congress, MARAD will announce awarded projects by posting a list of selected projects at <https://www.maritime.dot.gov/grants-finances/small-shipyard-grants>. Pursuant to the requirement at 46 U.S.C. § 54101(b)(3), MARAD shall award grants under this section no later than 120 days after the date of the enactment of the appropriations act for the fiscal year concerned.

Following the announcement of award selection, MARAD will contact the successful applicant's point of contact listed in the SF-424 to initiate development of the grant agreement. Recipients of an award will not receive lump-sum cash disbursements at the time of announcement of award selection or obligation of funds. Instead, Small Shipyard Grant funds will reimburse recipients only after grant

agreements have been executed, allowable expenses are incurred, and valid requests for reimbursement have been submitted and approved by the program contact. Small Shipyard Grant recipients must adhere to applicable Federal and programmatic requirements and follow established procedures to receive reimbursement. Before execution of a grant agreement, any MARAD-approved pre-award costs are incurred at the applicant's own risk.

## **H. Post-Award Requirements and Administration**

### **1. Administrative and National Policy Requirements**

#### **(a) Administrative Requirements.**

All awards must be administered pursuant to applicable Federal laws, rules, and regulations of MARAD, including the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, found at 2 CFR part 200, as adopted by DOT at 2 PCFR Part 1201. Federal wage rate requirements included in subchapter IV of chapter 31 of title 40, U.S.C., apply to all projects receiving funds under this program, and apply to all parts of the project, whether funded with Small Shipyard Grant Program funds, other Federal funds, or non-Federal funds. MARAD will determine the period of performance for each award based on the specific project that was evaluated and selected. MARAD will administer each Small Shipyard Grant pursuant to a grant agreement with the grant recipient, that will contain the relevant general terms and conditions of award. In connection with any program or activity conducted with or benefiting from funds awarded under this notice, recipients of funds must comply with all applicable requirements of Federal law, including, without limitation, the Constitution of the United States; the conditions of performance, nondiscrimination requirements, and other assurances made applicable to the award of funds in accordance with regulations of DOT; and applicable Federal financial assistance and contracting principles promulgated by the Office of Management and Budget. In complying with these requirements, recipients must ensure that no concession agreements are denied, or other contracting decisions made on the basis of speech or other activities protected by the First Amendment. If MARAD determines that a recipient has failed to comply with applicable Federal requirements, MARAD may terminate the award of funds and disallow previously incurred costs, requiring the recipient to reimburse any expended award funds.

If MARAD determines that a recipient has failed to comply with applicable Federal requirements, MARAD may terminate the award of funds and disallow previously incurred costs, requiring the recipient to reimburse any expended award funds.

For projects that are eligible under the Small Shipyard Grant Program but are not eligible under DOT's other programs or projects that are eligible under multiple DOT programs, the Small Shipyard Grant Program will determine the appropriate requirements to ensure the project is delivered consistent with program and Department goals.

**(b) Program Requirements.**

**(1) Domestic Preference.** As expressed in Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers (86 FR 7475), the executive branch should maximize, consistent with law, the use of goods, products, and materials produced in, and services offered in, the United States. Funds made available under this notice are subject to the domestic preference requirements at 46 U.S.C. § 54101(d)(2). The Department expects all applicants to comply with these requirements.

Subject to few exceptions, these requirements state that no funds may be obligated by MARAD for this program unless each product or material purchased with these funds (including products and materials purchased by a grant recipient), and including any commercially available off-the-shelf item, is:

- (i) An unmanufactured article, material, or supply that has been mined or produced in the United States; or
- (ii) A manufactured article, material, or supply that has been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured in the United States.

Additionally, all public-entity recipients must also comply with the requirements in section 70914(a) of the Build America, Buy America Act (BABA), [Public Law 117-58](#), in the event BABA requirements are broader than those in 46 U.S.C. § 54101(d)(2).

Despite the Department's waiver of Buy America requirements for small grants that was approved on August 16, 2023,<sup>1</sup> MARAD will require all Small Shipyard Grant recipients, even those awarded less than \$500,000 in Small Shipyard Grant funds, to comply with the above domestic preference requirements for their projects.

**(2) Critical Infrastructure Security and Resilience.** It is the policy of the United States to strengthen the security and resilience of its critical infrastructure against all hazards, including both physical and cyber risks, consistent with the National Security

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<sup>1</sup> <https://www.federalregister.gov/documents/2023/08/16/2023-17602/waiver-of-buy-america-requirements-for-de-minimis-costs-and-small-grants>.

Memorandum on Critical Infrastructure Security and Resilience (NSM-22). Each applicant selected for Federal funding must demonstrate, prior to the signing of the grant agreement, efforts to consider and address physical and cyber security risks relevant to the transportation mode and type and scale of the project. Projects that have not appropriately considered and addressed physical and cyber security and resilience in their planning, design, and project oversight, as determined by the Department and the Department of Homeland Security, will be required to do so before receiving funds.

**(3) Compliance with Federal Law and Policies.** Except where prohibited by court order: The applicant assures and certifies, with respect to any application and awarded Project under this NOFO, that it will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds.

**(4) Federal Anti-Discrimination.**

- Except where prohibited by court order, pursuant to Executive Order 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity, as a condition of grant award, each Recipient must agree that its and its regulations' compliance in all respects with the equal protection principles of the U.S. Constitution and all applicable Federal anti-discrimination laws and regulations is material to the government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code.
- Except where prohibited by court order, pursuant to Executive Order 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity, as a condition of grant award, each Recipient must certify that it does not operate any programs promoting diversity, equity, and inclusion (DEI) initiatives that violate the U.S. Constitution or any applicable Federal anti-discrimination laws.

To the extent a court order bars the implementation or enforcement of one or more of the provisions with respect to a particular applicant or recipient, the Department will not implement or enforce the relevant provision(s) against that applicant or recipient for as long as the order remains in place.

**(c) Reporting**

**(1) Progress Reporting on Grant Activities.**

Each applicant selected for a Small Shipyard Grant will be required to work with

MARAD on the development and implementation of a plan to collect information and report on the project's performance with respect to the relevant long-term outcomes that are expected to be achieved through the capital project or training. Performance indicators will not include formal goals or targets, but will require analysis of post-project outcomes, which will inform the Small Shipyard Grant Program in working towards best practices, programmatic performance measures, and future decision-making guidelines.

## **(2) Program Evaluation**

Program Evaluation is “an assessment using systematic data collection and analysis of one or more programs, policies, and organizations intended to assess their effectiveness and efficiency” (5 U.S.C. § 311). Recipients and subrecipients are encouraged to incorporate program evaluation including associated data collection activities from the outset of their program design and implementation to meaningfully document and measure their progress. Allowable data and evaluation costs are specified in 2 CFR 200.455(c). As a condition of grant award, Small Shipyard grant recipients may be required to participate in an evaluation undertaken by DOT or another agency or partner. The evaluation may take different forms such as an implementation assessment across grant recipients, an impact and/or outcomes analysis of all or selected sites within or across grant recipients, or a benefit/cost analysis or assessment of return on investment. DOT may require applicants to collect data elements to aid the evaluation. As a part of the evaluation, as a condition of award, grant recipients must agree to: (1) make records available to the evaluation contractor; (2) provide access to program records, and any other relevant documents to calculate costs and benefits; (3) in the case of an impact analysis, facilitate the access to relevant information as requested; and (4) follow evaluation procedures as specified by the evaluation contractor or DOT staff.

## **(3) Reporting of Matters Related to Recipient Integrity and Performance**

If the total value of a selected applicant's currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then the applicant during that period of time must maintain the currency of information reported to the SAM that is made available in FAPIIS about civil, criminal, or administrative proceedings described in paragraph 2 of Appendix XII of 2 PCFR Part 200. This is a statutory requirement under section 872 of Public Law 110-417, as amended

(41 U.S.C. § 2313). As required by section 3010 of Public Law 111–212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

## **I. Federal Awarding Agency Contacts**

For further information concerning this notice please contact David M. Heller, Deputy Associate Administrator for Shipbuilding & Industry Expansion, Maritime Administration, Room W21-318, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590; phone: (202) 366–5737; or fax: (202) 366–5904. To ensure applicants receive accurate information about eligibility or the Program, you are encouraged to contact MARAD directly with questions.

## **J. Other Information**

### **1. Protection of Confidential Business Information**

All information submitted as part of or in support of any application shall use publicly available data or data that can be made public and methodologies that are accepted by industry practice and standards, to the extent possible. If the applicant submits information that the applicant considers to be a trade secret or confidential commercial or financial information, the applicant must provide that information in a separate document, which the applicant may cross-reference from the application narrative or other portions of the application. For the separate document containing confidential information, the applicant must do the following: (1) state on the cover of that document that it “Contains Confidential Business Information (CBI)”; (2) mark each page that contains confidential information with “CBI”; (3) highlight or otherwise denote the confidential content on each page; and (4) at the end of the document, explain why the information you are submitting is CBI. DOT will protect confidential information complying with these requirements to the extent required under applicable law. If DOT receives a Freedom of Information Act (FOIA) request for the information that the applicant has marked in accordance with this section, DOT will follow the procedures described in its FOIA regulations at 49 CFR 7.29. Only information that is in the separate document, marked in accordance with this section, and ultimately determined to be confidential under section 7.29 will be exempt from disclosure under FOIA.

### **2. Publication and Sharing of Application Information**

Following the completion of the selection process and announcement of awards, MARAD intends to publish a list of all applications received along with the names of the applicant organizations and funding amounts requested. Except for the information properly marked as described in section J.1.,

MARAD may share application information within the Department or with other Federal agencies if the Department determines that sharing is relevant to the respective program's objectives.

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Stephen M. Carmel

By Order of the Maritime Administrator